

Press Release – 12 June 2013

European Business Awards announcement

Portucel Soporcel Group considered Europe's top business of the year

- **Group wins “The Business of the Year” award, with turnover above €150 million**
- **Prize acknowledges international performance of one of the top world players in the industry**
- **Portucel Soporcel Group exports accounted for €1,2 billion, on 113 countries over the five continents**

The Portucel Soporcel group has been named Europe's best company with turnover above €150 million, in the European Business Awards (EBA), in recognition of the Group's performance in 2012 and its capacity for innovation. This prize stands out as a clear recognition of the international role of this company, from which 95% of its paper and pulp sales go to more than 110 countries over the five continents.

The Portucel Soporcel group was chosen as the “Business of the Year”, a prestigious prize sponsored by Infosys, from a field of hundreds of European companies from all sectors of the economy. Few prizes are as fiercely coveted as the European Business Awards, designed to reward and promote excellence, good practice and innovation in Europe's business community. The 2012 event involved more than 15 thousand organizations from across the business spectrum in 30 countries.

Commenting on this accolade, José Honório, Chief Executive Officer of the Portucel Soporcel group, said that this award *"acknowledges our achievements but also encourages us to press ahead with a development strategy which has lifted the Portucel Soporcel group to the position of a major world player in the industry."* The Group's CEO also highlighted the fundamental contribution *"of a large highly motivated and professional team, with a broad skills base, which has been crucial in supporting the Group's sustained development"*.

In the words of the EBA organizers, "...this award goes to the outstanding company that has best demonstrated exceptional financial returns, strong growth and innovation

strategies, and market leadership in its sector. Judges looked for evidence of inventiveness, ethical credentials, good stakeholder relationships and long term planning balanced by the flexibility to deliver consistent results in dynamic market conditions".

The Group submitted its original entry in the "Import/Export" category, as a leading Portuguese and international exporter. Impressed with the Group's excellent performance and growth, its strategies of innovation and its leadership of the pulp and paper sector, the judges decided it was a suitable candidate for the Business of the Year category.

This international award will encourage the Group to continue developing a business model based on forestry, industrial and product research, on technological innovation and on developing brands with a distinctive value proposition gaining recognition on global markets.

Portucel Soporcel group: a leading player on the international market

The Portucel Soporcel group is a leading player in the international pulp and paper market. In 2012, the Group sold its products to 113 countries over the five continents, with a special focus on Europe and the US, and 33% of its exports went to markets outside the European Community. During this year, its exports totalled more than 1.2 billion euros, corresponding to approximately 3% of Portuguese exports of goods.

With turnover topping 1.5 billion euros, which represents almost 1% of Portugal's GDP, the Portucel group set new records in 2012 for output and paper sales, consolidating its position as Europe's leading manufacturer of uncoated woodfree (UWF) printing and writing paper and the sixth largest in the world. In fact, during that year, the Group was responsible for 88% of European exports of UWF printing and writing paper to North America, 52% of these exports to Africa, 32% to the Middle East, 45% to Latin America and 3% to Asia. These figures clearly underline the Group's strong international presence.

Portucel Soporcel Group is also the European leader in the production of bleached eucalyptus kraft pulp (BEKP) and the fourth leading producer worldwide. On top of this, the Group is Europe's leading producer of certified forest plants.

Despite the difficult climate in the world economy and the high level of unemployment recorded throughout the year, with a negative impact on paper consumption, the Group was once again able to increase the volume of paper sales, breaking through the barrier of 1.5 million tons.

It is one of Portugal's top three exporters, and possibly the exporter generating the most national value added, thanks to the high proportion of Portuguese raw materials and resources incorporated in its products.

About the Portucel Soporcel group

The Portucel Group is one of Portugal's strongest players on the international stage.

The new paper mill has had a significant impact on the Portuguese economy, positioning the Group as the leading European manufacturer of uncoated woodfree (UWF) printing and writing paper and the 6th largest producer in the world. This has placed Portugal at the top of the European ranking of countries manufacturing this type of paper. The Group is also Europe's leading manufacturer of bleached eucalyptus kraft pulp (BEKP), and one of the largest in the world.

The Portucel group is one of Portugal's three leading exporters, and possibly that generating the highest level of national value added. The Group accounts around 1% of Portugal's GDP, approximately 3% of the country's exports and also accounts for 8% of total containerized and conventional cargo exported through Portuguese ports.

As a vertically integrated forestry group with its own forestry research institute, it leads the world in the genetic improvement of the Eucalyptus globulus. It manages vast tracts of forest in Portugal certified under the FSC® (license nº C010852) and PEFC™ (PEFC/13-23-001) systems, and boasts annual production capacity for 1.6 million tons of paper, 1.4 million tons of pulp (of which 1.1 million is integrated into paper) and power generation of 2.5 TWh, adding up to annual turnover approximately of approximately 1.5 billion euros.

Thanks to recent investment in doubling the production capacity of its nurseries, the Group now operates one of Europe's largest nurseries for forestry plants, with annual production capacity of approximately 12 million certified plants of various species, ready for use in renewing Portugal's woodlands.

The Group has successfully pursued a strategy of innovation and development of its own brands, which today account for 62% of sales of manufactured products. Special mention should be made of the Navigator brand, the world's best-selling product in the premium office paper segment.

The Group's sales are made to 113 countries over five continents, with Europe and the United States as the two main destinations.

The Group works hard to improve and protect Portugal's woodlands, running its own research programme and managing forestry holdings of approximately 120,000 hectares.

The Portucel Group is currently a leading force in this sector and the country's top producer of "green energy" from biomass, a renewable energy source, accounting for approximately 50% of the country's output.

In keeping with its strategy of international expansion, the Group is currently investing in a major vertically integrated forestry project in Mozambique, set to culminate in the construction of a cellulose pulp mill with annual capacity of 1.3 million tons.